



The Florida House of Representatives

Chris Sprowls
Speaker

NEWS RELEASE

For Immediate Release:

May 25, 2022

Media Contact:

media@myfloridahouse.gov

(850) 717-5780

Florida House Passes Property Insurance Reform and Condominium Safety Legislation

TALLAHASSEE, Fla. (May 25, 2022) — The Florida House today passed Senate Bills 2D and 4D as part of Special Session 2022D to address the state's dysfunctional property insurance market and shore up condominium safety, prioritizing Florida homeowners and residents.

"Homeowners are getting squeezed between the rising cost and increasing unavailability of adequate property insurance coverage. That is why I challenged House members to find meaningful solutions during this special session. The competing interests in the property insurance space made it challenging, but I'm proud of the work by Chair Trumbull and our Members to stabilize the market and keep policyholders' needs at the forefront," said Florida House Speaker Chris Sprowls, R-Palm Harbor. "This week we also passed significant legislation to keep Florida's condominium residents safe in the aftermath of Surfside. Notably, that bill includes a House-championed measure that requires condo associations to fully fund a reserve so that repairs and maintenance are covered and completed in a timely manner. Chair Perez's relentless efforts on behalf of the residents of Surfside and the people of Florida deserve our admiration and appreciation. This week's special session was short, but the impacts to protect our people and prioritize their needs with meaningful reform will be felt for years to come."

Balancing the interests of all stakeholders while keeping consumers at the forefront, SB 2D contains several measures to stabilize the property insurance market, including:

- Property insurers must reduce policyholder rates as early as June 30, 2022, to reflect their savings from the new Reinsurance to Assist Policyholders (RAP) program created in SB 2D.
- Property insurers can no longer refuse to write/renew a policy on a home with a roof that is 15 years old or newer or has five or more years of useful life left solely because of the roof's age.
- Property insurers must provide policyholders with a reasonable explanation in writing for why a claim was paid, denied, or partially denied.
- Property insurers may provide an optional cheaper roof deductible to policyholders to help combat fraudulent roof claims that drive up rates for everyone.
- In property insurance litigation, lawyers can only receive contingency risk multipliers in rare circumstances, can't receive attorney fee awards in assignment of benefits (AOB) litigation, and can't transfer the right to receive attorney fees.

House Appropriations Committee Chair Jay Trumbull, R-Panama City, sponsor of the property insurance reform legislation, said, "The legislation passed this week builds on our focus to increase consumer choice, affordability, address fraud and costly litigation, and hold insurers accountable. This is a great first step to reduce premiums for policyholders and continue to provide Floridians some relief."

Senate Bill 4D addresses Florida Building Code issues, including a new statutory exception to the Code that will allow roofs over 25% damaged but already in compliance with the 2007 Code to be repaired instead of being required to be replaced. This provision will reduce the total cost of roof repairs and help to lower insurance rates over time.

Following the tragedy in Surfside last year, House leaders fought to pass meaningful reform that would help ensure that this kind of horrific event never happens again. SB 4D also addresses this issue with a House-championed provision that requires condominium associations to fully fund a non-waivable reserve so that structural integrity repairs and maintenance can be covered – not put off until it's too late.

House Pandemics & Public Emergencies Committee Chair Daniel Perez, R-Miami, sponsor of condominium safety legislation, said, "Since the tragedy that took place in Surfside nearly a year ago, the hurt of my community has pushed me to pursue meaningful reform to help ensure that this kind of preventable, horrific event never happens again. In order to honor the 98 lives lost and hundreds affected, I have been unwavering in my belief that there must be association reserve funding to fix the safety problems discovered during inspections, and I am proud to see that included in the bill passed off the House Floor today."

Among other reforms, SB 4D also creates a statewide structural inspection program to conduct milestone inspections for condominium and cooperative buildings that are three stories or taller, 30 years after initial occupancy or 25 years if the building is located within 3 miles of the coast.

Senate Bills 2D and 4D now await the approval of Governor Ron DeSantis. For more information on the bills, visit www.myfloridahouse.gov.

###